

Division of Health Care Finance
Projected Reserve Calculation
Medical, Pharmacy, Dental and Vision
Projection using data thru October 2018
Statement of Ops as of October 2018

Plan Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Factors and Assumptions										
Interest Rate on Reserves	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Admin/Contract Fee Trend	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical cost trend rate	5.0%	5.5%	6.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Rx cost trend rate	8.0%	7.5%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Policy Choices										
	<i>Future Policy Choices.....</i>									
State Employer Contr. % incr. (eff. July 1)	7.7%	3.3%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Non-State Employer Contr. % incr. (eff. July 1)	7.7%	3.3%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Contribution % Increase										
Active Employee Only	7.7%	3.3%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Spouse Only	31.7%	16.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Retiree Rate Increase	0.0%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Beginning Total Reserve Balance	24,343,301	27,152,620	49,565,964	69,758,956	78,502,100	91,648,472	100,583,632	104,876,896	104,093,150	97,737,620
Projected Cash Flow										
Total Employer Contributions	336,071,514	359,468,432	372,129,882	386,258,339	400,624,514	415,430,629	431,041,078	447,164,229	463,921,961	481,537,369
Total Participant Contributions	141,307,768	149,461,544	160,369,509	172,476,595	184,653,150	198,518,765	213,258,387	229,295,475	246,593,351	265,779,258
Total Contributions	477,379,282	508,929,976	532,499,391	558,734,934	585,277,663	613,949,394	644,299,465	676,459,705	710,515,311	747,316,627
Total Plan Expenses (Claims, ASO fees & contracted expenses)	474,866,246	486,720,277	512,678,145	550,514,982	572,720,057	605,701,597	640,760,579	678,030,027	717,651,540	759,775,848
Interest on Reserves	296,283	203,645	371,745	523,192	588,766	687,364	754,377	786,577	780,699	733,032
Net Cash Flow	2,809,318	22,413,344	20,192,992	8,743,144	13,146,372	8,935,160	4,293,263	(783,746)	(6,355,531)	(11,726,189)
Projected Reserve Balance										
Reserve Ending Balance	27,152,620	49,565,964	69,758,956	78,502,100	91,648,472	100,583,632	104,876,896	104,093,150	97,737,620	86,011,431
Target Reserve	51,165,380	52,949,742	56,133,136	60,797,304	63,391,894	67,372,748	71,608,169	76,114,577	80,909,459	86,011,431
IBNR Claim Reserve	29,518,488	30,547,928	32,384,502	35,075,368	36,572,247	38,868,893	41,312,405	43,912,256	46,678,534	49,621,979
Claim Fluctuation Reserve	21,646,891	22,401,814	23,748,635	25,721,936	26,819,648	28,503,855	30,295,764	32,202,321	34,230,925	36,389,452